GOVERNMENT OF INDIA
POWER
LOK SABHA

UNSTARRED QUESTION NO:4206
ANSWERED ON:11.08.2016
Financial Support to Power Plant
Sundaram Shri P.R.

Will the Minister of POWER be pleased to state:

(a) whether the Government proposes to increase the financial and logistic support for Thermal Power Stations in the country, if so, the details thereof and the decisions taken by the Government in this regard;

(b) whether the steep rise in price of coal and other raw material and machineries used in Thermal Power stations has gone uncontrollable, if so, the details thereof and the reasons therefor; and

(c) the remedial steps being taken by the Government in this regard?

Answer

THE MINISTER OF STATE (INDEPENDENT CHARGE) FOR POWER,
COAL, NEW & RENEWABLE ENERGY AND MINES

(SHRI PIYUSH GOYAL)

(a) : Following actions have been taken by the Government to increase the financial and logistic support for thermal power stations in the country:

(i) The Government, on 04.05.2016, approved the proposal for allowing flexibility in utilization of domestic coal amongst power generating stations to reduce the cost of power generation. Under the scheme, the Annual Contracted Quantity (ACQ) of each individual coal linkage as per Fuel Supply Agreement, is to be aggregated as consolidated ACQ for each State and Company owning Central Generating Stations instead of individual generating station. The State/Central Gencos would have flexibility to utilize their coal in most efficient and cost effective manner in their own power plants as well as by transferring coal to other State/Central Gencos Power plants for generation of cheaper power.

(ii) Government has notified policy guidelines for grant of Bridge Linkage to specified end use plants of Central and State Public Sector Undertakings which have been allotted coal mines or blocks. Bridge linkages applications for public sector power projects in prescribed formats have been approved.

(iii) Subsequent to the cancellation of Coal Blocks by the Hon'ble Supreme Court order dated 24.09.2014, nine Coal Mines linked to End Use Power Plants totaling to 9,940 MW have been allotted through e-Auction to the winning bidders. In addition to the above, thirty-eight coal mines for linked End Use Power Plants totaling to 40,090 MW capacity have also been allotted through e-Allotment to Central/State Sector utilities.

(iv) Policy has been issued for automatic transfer of coal linkage/Letter of Assurance (LoA) granted to the old plants while scrapping and replacing them with new plants of supercritical technology in respect of State and Central sector Power plants.

(v) Further, Government has also approved a scheme to revive and improve utilization of the stranded gas based power generation capacity in the country which has been lying idle or under-utilized due to shortfall in the domestic production of natural gas in the country, by supply of Spot Re- Gasified Liquefied Natural Gas (RLNG) (e-bid RLNG) to both Stranded power plants and plants receiving domestic gas selected through e-reverse e-bidding process. The other concessions envisaged under the scheme include- custom duty waiver on imported LNG; waiver of Value Added Tax, Central Sales Tax, Octroi and Entry Tax; waiver of Service Tax on regasification and transportation; reduction in pipeline tariff charges, regasification charges and marketing margin; exemption from transmission charges and losses for stranded gas based power projects & support from Power System Development Fund (PSDF), Government of India, if required.

(b) : No, Madam.

(c) : Does not arise.

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